

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Cooperative Agreement</b>	<b>GRANT NUMBER (FAIN): 01J88601</b>		<b>DATE OF AWARD</b> 10/28/2020	
		<b>MODIFICATION NUMBER: 0</b>		<b>MAILING DATE</b> 11/04/2020	
		<b>PROGRAM CODE: TA</b>			
		<b>TYPE OF ACTION</b> New		<b>PAYMENT METHOD:</b>	
<b>RECIPIENT TYPE:</b> State		<b>Send Payment Request to:</b> RTPFC-grants@epa.gov			
<b>RECIPIENT:</b>  OR Dept. of Environ. Quality 700 NE Multnomah Street, Suite 600 Portland, OR 97232-4100 <b>EIN:</b> 93-0584915		<b>PAYEE:</b>  OR Dept. of Environ. Quality 700 NE Multnomah Street, Suite 600 Portland, OR 97232-4100			
<b>PROJECT MANAGER</b>  D. Wu 700 NE Multnomah Street, Suite 600 Portland, OR 97232-4100 <b>E-Mail:</b> wu.d@deq.state.or.us <b>Phone:</b> 503-229-5269		<b>EPA PROJECT OFFICER</b>  John Chi 1200 Sixth Avenue, Suite 155 Seattle, WA 98101 <b>E-Mail:</b> chi.john@epa.gov <b>Phone:</b> 206-553-1185		<b>EPA GRANT SPECIALIST</b>  Andrea Bennett REG 10, 17-CO4 <b>E-Mail:</b> bennett.andrea@epa.gov <b>Phone:</b> 206-553-1789	
<b>PROJECT TITLE AND DESCRIPTION</b> Klamath Falls Targeted Airshed Program The Oregon Department of Environmental Quality (DEQ) will partner with Klamath County Public Health (KCPH) to deliver a comprehensive program that reduces emissions from residential wood combustion; the major contributor to PM2.5 emissions in the Klamath Falls nonattainment area. This proposal builds and improves upon the woodstove changeout programs in the area by converting wood-burning residential heating devices to non-wood burning heating devices. It will be partnered with weatherization to maximize heating efficiency and reduce costs.					
<b>BUDGET PERIOD</b> 12/01/2020 - 11/30/2025		<b>PROJECT PERIOD</b> 12/01/2020 - 11/30/2025		<b>TOTAL BUDGET PERIOD COST</b> \$1,839,947.00	
				<b>TOTAL PROJECT PERIOD COST</b> \$1,839,947.00	
<b>NOTICE OF AWARD</b>					
Based on your Application dated 10/15/2020 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$1,839,947. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$1,839,947. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.					
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>			<b>AWARD APPROVAL OFFICE</b>		
<b>ORGANIZATION / ADDRESS</b>  EPA Region 10 1200 Sixth Avenue, Suite 155 (17-C04) Seattle, WA 98101			<b>ORGANIZATION / ADDRESS</b>  U.S. EPA, Region 10 Air & Radiation Division 1200 Sixth Avenue, Suite 155 Seattle, WA 98101		
<b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b>					
<b>Digital signature applied by EPA Award Official</b> PeggyD Johnson - Chief - Grants Section					<b>DATE</b> 10/28/2020

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FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$	\$ 1,839,947	\$ 1,839,947
EPA In-Kind Amount	\$	\$	\$ 0
Unexpended Prior Year Balance	\$	\$	\$ 0
Other Federal Funds	\$	\$	\$ 0
Recipient Contribution	\$	\$	\$ 0
State Contribution	\$	\$	\$ 0
Local Contribution	\$	\$	\$ 0
Other Contribution	\$	\$	\$ 0
Allowable Project Cost	\$ 0	\$ 1,839,947	\$ 1,839,947

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.956 - Targeted Airshed Grant Program	Consolidated Appropriations Act of 2018 (P.L. 115-141)	2 CFR 200 2 CFR 1500 40 CFR 33 and 40 CFR 35 Subpart A

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2110BDG012	20	E4	10B3	000AJ9	4193	-	-	1,839,947
									1,839,947

## Budget Summary Page

<b>Table A - Object Class Category (Non-construction)</b>	<b>Total Approved Allowable Budget Period Cost</b>
<b>1. Personnel</b>	\$174,579
<b>2. Fringe Benefits</b>	\$75,652
<b>3. Travel</b>	\$55,160
<b>4. Equipment</b>	\$0
<b>5. Supplies</b>	\$7,143
<b>6. Contractual</b>	\$0
<b>7. Construction</b>	\$0
<b>8. Other</b>	\$1,473,113
<b>9. Total Direct Charges</b>	\$1,785,647
<b>10. Indirect Costs: % Base</b>	\$54,300
<b>11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %.)</b>	\$1,839,947
<b>12. Total Approved Assistance Amount</b>	\$1,839,947
<b>13. Program Income</b>	\$0
<b>14. Total EPA Amount Awarded This Action</b>	\$1,839,947
<b>15. Total EPA Amount Awarded To Date</b>	\$1,839,947

## **Administrative Conditions**

### **1. National Administrative Terms and Conditions**

#### **General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at:

[https://www.epa.gov/sites/production/files/2020-09/documents/fy\\_2020\\_epa\\_general\\_terms\\_and\\_conditions\\_effective\\_october\\_1\\_2020.pdf](https://www.epa.gov/sites/production/files/2020-09/documents/fy_2020_epa_general_terms_and_conditions_effective_october_1_2020.pdf)

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at:

<https://www.epa.gov/grants/grant-terms-and-conditions>.

#### **A. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [RTPFC-grants@epa.gov](mailto:RTPFC-grants@epa.gov)
- MBE/WBE reports (EPA Form 5700-52A): [bennett.andrea@epa.gov](mailto:bennett.andrea@epa.gov)
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: [wasson.wendy@epa.gov](mailto:wasson.wendy@epa.gov)
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: [chi.john@epa.gov](mailto:chi.john@epa.gov)
- Administrative questions: [bennett.andrea@epa.gov](mailto:bennett.andrea@epa.gov)

#### **B. Extension of Project/Budget Period Expiration Date**

EPA has not exercised the waiver option to allow automatic one-time extensions for non-research grants under 2 CFR 200.308 (d)(2). Therefore, if a no-cost time extension is necessary to extend the period of availability of funds the recipient must submit a written request to the EPA prior to the budget/project period expiration dates. **The written request must include:** a justification describing the need for additional time, an estimated date of completion, and a revised schedule for project completion including updated milestone target dates for the approved workplan activities. In addition, if there are overdue reports required by the general, administrative, and/or programmatic terms and conditions of this assistance agreement, the recipient must ensure that they are submitted along with or prior to submitting the no-cost time extension request.

#### **C. Disadvantaged Business Enterprise (DBEs)**

#### **UTILIZATION OF SMALL, MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

##### **GENERAL COMPLIANCE, 40 CFR, Part 33**

The recipient agrees to comply with the requirements of EPA's Disadvantaged Business Enterprise (DBE) Program for procurement activities under assistance agreements, contained in 40 CFR, Part 33 except as described below based upon the associated class deviation.

##### **EPA MBE/WBE CERTIFICATION, 40 CFR, Part 33, Subpart B**

A class exception to the following provisions of Subpart B of 40 CFR Part 33 has been issued suspending the EPA MBE/WBE certification program: §33.204(a)(3) providing that an entity may apply to EPA MBE or WBE certification after unsuccessfully attempting to obtain certification as otherwise described in §33.204; and §33.205 through and including §33.211. The class exception was authorized pursuant to the authority in 2 CFR 1500.3(b).

##### **SIX GOOD FAITH EFFORTS, 40 CFR, Part 33, Subpart C**

Pursuant to 40 CFR, Section 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to require that sub-recipients, loan recipients, and prime contractors also comply.

Records documenting compliance with the six good faith efforts shall be retained:

- (a) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
- (b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
- (c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
- (d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
- (e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.
- (f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.

#### **CONTRACT ADMINISTRATION PROVISIONS, 40 CFR, Section 33.302**

The recipient agrees to comply with the contract administration provisions of 40 CFR, Section 33.302 (a)-(d) and (i).

#### **BIDDERS LIST, 40 CFR, Section 33.501(b) and (c)**

Recipients of a Continuing Environmental Program Grant or other annual reporting grant, agree to create and maintain a bidders list. Recipients of an EPA financial assistance agreement to capitalize a revolving loan fund also agree to require entities receiving identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR, Section 33.501 (b) and (c) for specific requirements and exemptions.

#### **FAIR SHARE OBJECTIVES, 40 CFR, Part 33, Subpart D**

A class exception to the entire Subpart D of 40 CFR Part 33 has been authorized pursuant to the authority in 2 CFR 1500.3(b). Notwithstanding Subpart D of 40 CFR Part 33, recipients are not required to negotiate or apply fair share objectives in procurements under assistance agreements.

#### **MBE/WBE REPORTING- SPECIFIC CHANGES PURSUANT TO CLASS DEVIATION, 40 CFR, Part 33, Subpart E**

When required, the recipient agrees to complete and submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) on an annual basis. The current EPA Form 5700-52A can be found at the EPA Grantee Forms Page at <https://www.epa.gov/grants/epa-grantee-forms>.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category) with a cumulative total that exceed the threshold amount of \$250,000, including amendments and/or modifications. When reporting is required, all procurement actions are reportable, not just that portion which exceeds \$250,000.

Annual reports are due by October 30th of each year. Final reports are due by October 30th or 90 days after the end of the project period, whichever comes first.

This provision represents an approved deviation from the MBE/WBE reporting requirements as described in 40 CFR, Part 33, Section 33.502.

#### **D. Indirect Costs for States and Tribal (also listed in General Terms and Conditions)**

The cost principles of 2 CFR 200 Subpart E are applicable, as appropriate, to this award.

In addition to the General Terms and Conditions "Indirect Cost Rate Agreements", if the recipient does not have a previously established indirect cost rate, it agrees to prepare and submit its indirect cost rate proposal in accordance with 2 CFR 200 Appendix VII.

##### **For State Agencies**

The recipient must send its proposal to its cognizant federal agency within six (6) months after the close of the governmental unit's fiscal year. If EPA is the cognizant federal agency, the state recipient must send its indirect cost rate proposal within six (6) months after the close of the governmental unit's fiscal year to:

##### **Regular Mail**

Financial Analysis and Rate Negotiation Service Center  
Office of Acquisition Management  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW, MC 3802R  
Washington, DC 20460

##### **Mail Courier (e.g. FedEx, UPS, etc.)**

Financial Analysis and Rate Negotiation Service Center  
Office of Acquisition Management  
US Environmental Protection Agency  
1300 Pennsylvania Avenue, NW, 6th floor  
Bid and Proposal Room Number 61107  
Washington, DC 20004

##### **For Indian Tribe**

If the recipient does not have a previously established indirect cost rate, the recipient must submit their indirect cost rate proposals to:

National Business Center  
Indirect Cost Services  
U.S. Department of the Interior  
2180 Harvard Street, Suite 430  
Sacramento, CA 95815-3317

The recipient agrees to comply with the audit requirements in accordance with 2 CFR 200 Subpart F.

#### **E. Expired (or Expiring) Indirect Cost Rate Agreement (also listed in General Terms and Conditions)**

The indirect cost rate agreement on file with EPA expires 6/30/2021. In order to charge for indirect costs beyond that date, we must have a copy of a current approved agreement in our files. If you have an approved rate agreement please provide a copy. If you have not yet received an approval of an indirect cost rate from your cognizant agency, please submit a copy within 30 days of approval to the EPA Region 10. **Note that you may not draw down funds for indirect costs without a current, approved rate in place.**

Please send the indirect cost rate documentation via email to [wasson.wendy@epa.gov](mailto:wasson.wendy@epa.gov) or by mail to EPA Region 10, Grants Unit, 1200 Sixth Avenue, Suite 155, Mail code: 17-C04, Seattle, WA 98101.

# **Programmatic Conditions**

## **FY2020 ODEQ Targeted Airshed Programmatic Terms and Conditions Devices Providing Heat Project-Related Assistance Agreement**

### **I. FOUNDATIONAL PROGRAMMATIC TERMS AND CONDITIONS**

#### **A. Work Plan and Budget Revisions**

The recipient is expected to carry out the tasks and activities in the approved workplan. The recipient shall consult the U.S. Environmental Protection Agency (EPA) Project Officer (PO) regarding whether a proposed budget or work plan activity revision constitutes a significant change in the scope or the objective of the project or program. The recipient may not make significant changes to the proposed activities in the EPA-approved workplan or budget without prior written approval from EPA. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination. If activities or technology compatibility issues arise that cannot be resolved, EPA may elect to terminate the cooperative agreement, and if applicable, recover ineligible expenditures from the recipient. Any significant changes to the approved workplan that would result in undermining the integrity of the award competition will not be approved.

#### **B. Substantial Federal Involvement for Cooperative Agreements**

EPA will be substantially involved in overseeing this cooperative agreement, which may include, but is not limited to programmatic oversight and monitoring, reviewing project phases, approving substantive terms included in professional services contracts (EPA will not direct or recommend that the recipient enter into a contract with a particular entity), and EPA collaboration regarding scope of work and mode of operation.

#### **C. Quarterly Performance Reporting and Final Performance Report**

##### **C.1. Quarterly Reports – Content**

The recipient must submit quarterly performance reports that address the progress made to achieve the work plan commitments. The recipient must include summary information on technical progress and expenditures, and planned activities for next quarter.

In accordance with 2 CFR §200.328, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) the reasons why established outputs/outcomes were not met; and 3) additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs. A suggested template for the quarterly reports will be provided by the PO. Additionally, the recipient agrees to inform the PO as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan arise.

Each quarterly report must include the total number of scrapped and replaced, replaced-only, and/or repaired devices. As applicable, the recipient will include technical progress of other activities beyond scrapping, replacement, and/or repair activities, which may include heat-conserving weatherization activities, a seasoned dry firewood program, a wood shed program, education and outreach efforts, enforcement and monitoring, a residential yard waste collection program, deploying air cleaning devices, deploying infrared cameras, siting highway messaging signs, deploying air sensors, and/or deploying air monitoring system(s).

##### **C.2. Final Report – Content**

The recipient must submit the final performance report to the PO within 90-days after the project period end date or termination of the assistance agreement. A suggested template for the final report, similar to the quarterly report template, will be provided by the PO. As applicable, the total number of removed and/or scrapped devices, the total number of repaired devices, and the total number of new funded devices must be included in the final performance report. The final performance report must include the following:

- A narrative summary of the project or activity.
- Project results (outputs and outcomes) as reflected in the final, approved workplan, which must include but are not limited to the following:
  - o Final estimated air emissions benefit calculations for all the activities undertaken by the recipient. Estimated emissions benefits may include pollutants (e.g., PM<sub>2.5</sub> and NO<sub>x</sub>) that

affect the nonattainment status of the area where the project is located. The final estimated emission benefit calculations must be based on the actual number and type of funded devices as included in the workplan. The recipient must include the methodologies and a detailed explanation of how these estimated values were derived, as well as any assumptions or default values used for the purposes of emissions benefit calculations.

- Required documentation, as listed in Section II.A.3. below.
- A description of how the project or activities contributed towards compliance with the State Implementation Plan and/or National Ambient Air Quality Standards.
- A discussion of the problems, successes, and lessons learned – including feedback received from project participants (e.g., program beneficiaries, members of the public, subrecipients, contractors, etc.) – for the project or activity that could help overcome structural, organizational or technical obstacles to implementing a similar project elsewhere.
- If any cost-share or leveraged funds were reported, the recipient must identify the source of funds.
- If any program income was generated, the recipient must identify the amount of program income, how it was generated, and how the program income was used, as described in the Program Income Section below.
- To the extent possible, qualitative estimated health benefits achieved, which can be measured by the type of illnesses prevented, avoided health care costs, missed work/school days avoided or reduced mortality from air pollution.

### **C.3. Quarterly Reports – Due Dates**

Quarterly reports are due according to the following schedule, or an alternative schedule with prior approval by the PO:

- Oct. 1 - Dec. 31; Reporting Period: report due January 31;
- Jan. 1 - March 31; Reporting Period: report due April 30;
- April 1 - June 30; Reporting Period: report due July 31; and
- July 1 - Sep. 30; Reporting Period: report due Oct. 31.

This quarterly reporting schedule shall be repeated for the duration of the award agreement.

### **C.4. Final Report – Due Date**

The recipient must submit the final performance report to the PO within 90-days after the project period end date or termination of the assistance agreement.

### **C.5. Subaward Reporting Requirement for Quarterly and Final Reports**

A subaward means an award provided by the recipient to a subrecipient for the subrecipient to carry out part of this Targeted Airshed Grant project. It does not include payments to contractors or payments to program beneficiaries receiving participant support costs. The recipient must comply with applicable provisions of 2 CFR Part 200, 2 CFR Part 1500, and the EPA Subaward Policy, which may be found at: [epa.gov/grants/epa-subaward-policy](https://www.epa.gov/grants/epa-subaward-policy). The recipient must report on its subaward monitoring activities under 2 CFR §200.331(d). Examples of items that must be reported:

- C.5.1. Summaries of results of reviews of financial and programmatic reports.
- C.5.2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
- C.5.3. Environmental results the subrecipient achieved.
- C.5.4. Summaries of audit findings and related pass-through entity management decisions.
- C.5.5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR §200.207, 2 CFR §200.331(e), and 2 CFR §200.338 Remedies for Noncompliance.

## **D. Cybersecurity Grant Conditions for Recipients**

### **D.1. State Grant Cybersecurity**

The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

**D.1.1.** EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency Information Technology (IT) system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.



If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the PO and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

**D.1.2.** The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in D.1.1. if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR §200.331(d), by inquiring whether the subrecipient has contacted the PO. Nothing in this condition requires the recipient to contact the PO on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

#### **E. Delays or Favorable Developments**

The recipient agrees that it will promptly notify the PO of any problems, delays, or adverse conditions which may materially impair its ability to deliver on the outputs/outcomes specified in the work plan. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation. The recipient agrees that it will also notify the PO of any favorable developments which may enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

#### **F. Procurement Procedures**

The recipient must follow applicable procurement and sub-grant/subaward procedures. EPA will not be a party to these transactions. For State recipients, if EPA funds are used to purchase goods or services, the State recipient agrees to comply with 2 CFR §200.317, *Procurement by states* ; 2 CFR §§1500.9-10, *General procurement standards* ; and 40 CFR Part 33, *Disadvantaged Business Enterprises* .

All other non-State recipients must comply with the procurement under grants standards of 2 CFR §§200.318 – 326, 2 CFR §§1500.9-10, and 40 CFR Part 33 including conducting procurement transactions in a manner providing full and open competition as set forth in the applicable regulations. Approval of a funding proposal does not relieve recipients of their obligations to compete service contracts, conduct cost and price analyses and use sub-grants only for financial assistance purposes.

#### **G. For-Profit Sub-Recipients**

In addition to the EPA General Term and Condition "Establishing and Managing Subawards", the recipient (also referred to as "pass-through entity") agrees to require that for-profit subrecipients/subgrantees comply with the applicable provisions of Subparts A through F of the Uniform Grant Guidance (2 CFR Part 200) and the Federal cost principles applicable to for-profit entities located at 48 CFR Part 31, with the exception of the method of payment to for-profit subrecipients must be "reimbursement" rather than "advance." The recipient/pass-through entity agrees to obtain documentation that the for-profit subrecipient/subgrantee has incurred eligible and allowable costs prior to releasing funds to the subrecipient/subgrantee.

#### **H. Competency of Organizations Generating Environmental Measurement Data**

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements, the recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, the recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. The recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at [epa.gov/fem/lab\\_comp.htm](http://epa.gov/fem/lab_comp.htm) or a copy may also be requested by contacting the PO for this award.

#### **I. Public or Media Events**

The recipient agrees to notify the PO listed in this award document of public or media events publicizing the accomplishment of significant events related to projects resulting from this agreement and provide the

opportunity for attendance and participation by federal representatives with at least fifteen working days' notice.

#### **J. EPASS Security**

In accordance with Homeland Security Presidential Directive-12 (HSPD-12), "Policy for a Common Identification Standard of Federal Employees and Contractors;" Executive Order 13467, "Reforming Processes Related to Suitability for Government Employment, Fitness for Contractor Employees, and Eligibility for Access to Classified National Security Information;" and Executive Order 13488, "Granting Reciprocity on Excepted Service and Federal Contractor Employee Fitness and Reinvestigating Individuals in Positions of Public Trust," the recipient agrees to follow instructions from the PO to ensure compliance with the EPA Personnel Access and Security System (EPASS).

Prior to beginning work at an EPA facility, the recipient, or its employees or program participants, must complete either:

- i. A favorable fingerprint check for recipients (and their employees or program participants) who require six months or less of unescorted physical access to EPA facilities; or
- ii. A favorable background investigation and fingerprint check for recipients (and their employees or program participants) who require more than six months of unescorted physical access to EPA facilities.

Recipients, their employees, or program participants may not be permitted access to EPA facilities until meeting these requirements.

Recipients may initiate the appropriate check through the following website: [cdx.epa.gov](http://cdx.epa.gov).

Failure of a recipient, their employees, or program participants to receive a favorable fingerprint or background check, whichever is applicable, shall result in the termination of the recipient, the employees, or program participants from continued enrollment in the program.

#### **K. Equipment Disposition**

State grant recipients must dispose of equipment purchased with Targeted Airshed Assistance Funds in accordance with state laws and procedures. Non-State grant recipients must request disposition instructions from the EPA when the original or replacement equipment acquired under this assistance agreement is no longer needed for the original project or program or for other activities currently or previously supported by an EPA assistance agreement. Disposition of the equipment will be made as follows in accordance with EPA disposition instructions:

- Items of equipment with a current per-unit fair-market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the EPA.
- Items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the recipient or sold. The EPA is entitled to an amount calculated by multiplying the current market value (or proceeds from sale) by the EPA's percentage of participation in the cost of the original purchase. If the equipment is sold, the EPA may permit the recipient to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, to cover the recipients selling and handling expenses.
- When acquiring replacement equipment, the non-Federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.
- Recipient may transfer title to the property to an eligible third party as directed by EPA. If EPA directs the recipient to transfer title of the property to a third party, then recipient is entitled to compensation for its attributable percentage of the current fair-market value of the property.
- In cases where recipient fails to take appropriate disposition actions, EPA may direct the recipient to take disposition actions.

#### **L. Program Income**

Program income means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of this award during the period of performance. In accordance with 2 CFR §1500.7(b), the default use of program income generated under this award is the addition method. If the recipient prefers to use the deduction method (program income is deducted from the total allowable costs to determine the net allowable costs) or use program income to meet the voluntary cost share requirement, recipient must obtain prior approval from EPA.

#### **M. Paperwork Reduction Act**

If the scope of work for this cooperative agreement includes a survey or other information collection of identical information from 10 or more parties the Paperwork Reduction Act may apply. As provided by 5 CFR §1320.3(d), EPA is a sponsor of the information collection for purposes of obtaining approval from the Office of Management and Budget (OMB) for collecting information. The recipient agrees to assist EPA in complying with OMB procedures at 5 CFR Part 1320 for obtaining Information Collection Request authorization. The recipient may not collect information until EPA obtains OMB approval.

## **II. ACTIVITY-SPECIFIC AND PROJECT-SPECIFIC PROGRAMMATIC TERMS AND CONDITIONS**

### **A. Devices Providing Heat**

#### **A.1. Devices Providing Heat**

For those assistance agreements that include scrappage and/or replacement activities for devices that provide heat, the recipient agrees that funds under this award will be used to repair, replace, or remove inefficient, higher-polluting devices. Consistent with the recipient's approved workplan, the recipient will repair devices to make them more efficient and less polluting or replace devices with cleaner, lower-polluting, more efficient devices. Inefficient, higher-polluting devices include, but are not limited to wood stoves, wood burning devices, open-hearth fireplaces, coal stoves, and pellet stoves. Cleaner, lower-polluting, more efficient devices include but are not limited to EPA-certified wood-burning devices, EPA-certified pellet devices, certified masonry heaters, oil devices, ENERGY STAR-certified electric devices (such as heat pumps), propane heaters, and natural gas devices and geo-thermal. The recipient agrees that cleaner, less polluting certified wood or pellet devices other than masonry heaters must be identified on the current list of EPA Certified Wood Heaters (see [www.epa.gov/compliance/epa-certified-wood-heater-database](http://www.epa.gov/compliance/epa-certified-wood-heater-database)) to be eligible for replacement. Masonry heaters must be included in either the approved list by the state of Colorado (see [www.colorado.gov/pacific/cdphe/approved-indoor-burning-devices](http://www.colorado.gov/pacific/cdphe/approved-indoor-burning-devices)) or the state of Washington (see [www.ecology.wa.gov/Air-Climate/Air-quality/Smoke-fire/wood-stove-info](http://www.ecology.wa.gov/Air-Climate/Air-quality/Smoke-fire/wood-stove-info).)

If the recipient issues a subaward or contract and the subrecipient or contractor intend to issue participant support costs to program beneficiaries for EPA-funded cleaner, lower-polluting replacement devices providing heat, the recipient must ensure that the subrecipient or contractor: 1) train the program beneficiaries on how to properly operate the cleaner, lower-polluting replacement devices; and 2) ensure the program beneficiaries agree not to give away or sell the EPA-funded device during the life of the project. This requirement should be clearly set forth in the written subaward agreement or contract.

The recipient agrees not to repair, replace, or retrofit any heating device that was previously purchased with Federal funds since January 2015, regardless of the type of device and amount of emissions that may be reduced.

The recipient may not make significant changes to the proposed activities in the EPA-approved workplan unless with prior written approval from EPA. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type change, the Agency Award Official or Grant Management Officer may need to make the final determination. If activities or technology compatibility issues arise that cannot be resolved, EPA may elect to terminate the cooperative agreement, and if applicable, recover ineligible expenditures from the recipient. Any significant changes to the approved workplan that would result in undermining the integrity of the award competition will not be approved.

#### **A.2. Device Expansion**

The recipient agrees that funds cannot be used for the purchase of devices without rendering the inefficient, higher-polluting device inoperable, as consistent with the EPA-approved workplan. Every inefficient, higher-polluting device must be fully operational and in service at time of replacement, unless described otherwise in the EPA-approved workplan. The recipient agrees that the cleaner, lower-polluting replacement device:

- a. will continue to perform a similar function and operation as the device that is being permanently rendered inoperable;
- b. will achieve the estimated emission reductions included in the EPA-approved workplan; and
- c. is consistent in its intended use, operation and location as described in the EPA-approved workplan.

#### **A.3. Rendering Inoperable and Required Documentation**

To ensure the estimated air emissions reductions included in the workplan are achieved and permanent, the recipient agrees that every inefficient, higher-polluting device will be permanently removed from the recipient's respective air pollution nonattainment areas, destroyed and rendered inoperable. Inefficient,

higher-polluting devices include any device removed from service under this assistance agreement that will be replaced with a cleaner device.

Under this permanent destruction process, the recipient shall take every device to an approved licensed dismantler/recycler or the recipient will follow the process described in the EPA-approved workplan. The recipient must deliver the inefficient, higher-polluting device to the licensed dismantler/recycler within 90 days of removing the inefficient, higher-polluting device from service, or as consistent with the EPA-approved workplan. Other acceptable scrappage methods may be considered but will require prior written approval from the EPA PO. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination.

The recipient must provide documentation on removing each inefficient, higher-polluting device from the nonattainment areas. The recipient is responsible for retaining all documentation for: 1) each inefficient, higher-polluting device removed from the nonattainment areas; and 2) each cleaner, lower-polluting replacement device as listed in the recipient's workplan. For each higher-polluting device removed from service, the recipient must:

- 1) Prior to replacement, document that the inefficient, higher-polluting device is fully operational and in service, as described in the Device Expansion Section I above, or as consistent with the EPA-approved workplan. Acceptable documentation may include clear photographs of the device prior to removal.
- 2) After dismantling/recycling, obtain and retain a receipt from the dismantler/recycler, or other approved documented proof of rendering the applicable device inoperable.
- 3) After installation, the recipient must document that the new device is installed.

In accordance with 2 CFR §200.333, the recipient must retain all records, supporting documents, statistical records, and all other records pertinent to the cooperative agreement award for at least three years from the date of submission of the final expenditure report; however, if any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings have been resolved and final action has been taken. In accordance with 2 CFR §200.336, EPA, the Inspector General, the Comptroller General, and the pass-through entity, or any of their authorized representatives, have the right of access to any documents, papers, or records of the recipient which are pertinent to the cooperative agreement award. The rights of access are not limited to the required retention period, but last as long as the records are retained.

If the inefficient, higher-polluting device(s) components are to be sold, the recipient must comply with the program income requirements (see the Program Income Section I above).

#### **A.4. Location**

The recipient agrees that the EPA-funded project will be located in the recipients' respective air pollution nonattainment area as indicated in the recipient's workplan and carried out in the nonattainment area for the life of the project. The funded cleaner, lower-polluting, more efficient devices may not operate outside of the nonattainment areas for the life of the project.

#### **A.5. Heat-Conserving Weatherization Activities**

The recipient agrees that funds under this award will be used only for residential energy weatherization activities that will reduce heating load in existing residential units that will or have installed an EPA-funded cleaner burning heating device. Other acceptable weatherization activities necessary to undertake heat-related improvements may be considered and will require prior written approval by the EPA PO. The funded weatherization upgrades or its components may not be sold or moved outside of the nonattainment areas for the life of the project.

**END OF DOCUMENT**